



Department of Justice

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**TWO DUTCH COMPANIES PLEAD GUILTY TO INTERNATIONAL PRICE FIXING:
SENTENCED TO PAY \$10 MILLION CRIMINAL FINE**

**Justice Department's Crackdown on International Price Fixing
Conspiracies has Netted \$210 Million in Criminal Fines**

WASHINGTON, D.C. -- Two subsidiaries of the Dutch pharmaceutical and chemical giant Akzo Nobel NV and the Dutch agricultural company AVEBE BA pleaded guilty and were sentenced to pay a total fine of \$10 million today for participating in an international conspiracy to fix the price and allocate market shares worldwide for an industrial cleaner called sodium gluconate, the Department of Justice said.

Two of the companies' executives also pleaded guilty and were sentenced to pay criminal fines totaling \$200,000 for their part in the conspiracy.

Sodium gluconate is used as an industrial cleaner of metal and glass with applications such as bottle washing, food service and utensil cleaning, food process equipment cleaning, and paint removal. It is a \$50 million a year industry worldwide.

Today's cases, filed in U.S. District Court in San Francisco, are the first filed in the sodium gluconate industry, and the latest in a string of international conspiracy cases

filed by the Department's Antitrust Division over the past year resulting in fines of about \$210 million.

"These cases further demonstrate the Department's priority to protect American consumers from paying higher prices on thousands of products as a result of these international conspiracies," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division.

The two companies that pleaded guilty today are Akzo Nobel Chemicals BV, a subsidiary of Akzo Nobel NV and Glucona BV, a subsidiary of AVEBE BA. The allocation of the \$10 million fine will be determined by the two companies.

The felony cases charge that two executives of a former partnership between Akzo Nobel Chemicals BV and AVEBE BA--Glucona v.o.f.--agreed with other unnamed major sodium gluconate-producing firms to suppress and eliminate competition in the sodium gluconate market from August 1993 to June 1995.

The two executives--Cornelis R. Nederveen, the former general manager of the Glucona partnership, and Marcel L. van Eekhout, the former managing director of Glucona--also pleaded guilty and were sentenced today to each pay a \$100,000 criminal fine for their role in the international sodium gluconate conspiracy. Nederveen and van Eekhout are both Dutch citizens.

The Department charged that Nederveen and van Eekhout met with their co-conspirators in the sodium gluconate markets to set the prices and allocate the market shares of sodium gluconate that each participating firm could sell.

"Today's cases likely are only the first in the sodium gluconate industry and represent an ongoing expansion of the Division's investigations into many international markets," said Gary R. Spratling, the Antitrust Division's Deputy Assistant Attorney General for Criminal Enforcement. "In future months, we expect more prosecutions in other international industries."

The three single-count felony informations charge that the companies and executives:

- Agreed to charge sodium gluconate prices at certain levels and to increase those prices accordingly.
- Agreed to allocate among the corporate conspirators the market shares of sodium gluconate that each participating firm could sell.
- Issued price announcements and price quotations in accordance with the agreements.
- Participated in meetings and conversations for the purpose of monitoring and enforcing adherence to the agreed-upon prices and market shares.

As part of their plea agreements, the parties have agreed to cooperate in the ongoing government investigation.

Glucona v.o.f. imported sodium gluconate into the United States through an affiliate, Glucona America. Akzo Nobel Chemicals BV sold its interest in Glucona v.o.f. to AVEBE BA in late 1995, and Glucona v.o.f. eventually was renamed Glucona BV.

Akzo Nobel Chemicals BV is a Dutch company headquartered in Amersfoort, The Netherlands. Glucona BV is also a Dutch company headquartered in Veendam, The Netherlands.

Today's charges are the result of an investigation conducted by the Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco.

Akzo Nobel, Glucona, Nederveen and van Eekhout are charged with violating the Sherman Act, which carries a maximum fine of \$10 million for corporations and \$350,000 for individuals. The fine may be increased to twice the gain derived from the crime by the cartel or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine of \$10 million for corporations and \$350,000 for individuals.

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